

## ***How will New Yorkers Benefit from Increased Federal Reimbursements for Medicare+Choice Plans?***

As a result of the provision that Senator Schumer fought for in the Medicare bill, reimbursement rates the government will pay HMOs will now go up as much as 31% in 2004. This has led several HMOs to announce plans to lower their premiums considerably, could lead more to do the same, and could encourage other HMOs to come to New York. Below is information on HMOs that have already begun to extend new benefits and reduced premiums as a result of the new law. In addition, the chart below provides county-by-county breakdowns of how many HMOs have left New York in recent years, and how many New Yorkers were subsequently dropped as a result of the migration (and could benefit by new HMOs coming back).

***The Capital Region:*** Although low Medicare reimbursements caused at least 10,000 people to be dropped from Medicare+Choice plans in the Capital Region in recent years, the new Medicare law helps keep plans in the region and enables them to offer enhanced health care coverage and premium reductions.

*Users of Blue Shield of Northeastern New York, for example, which serves about 3,000 people in the region, will pay \$150 less in hospital co-payments. Capital District Physicians' Health Plan 8,600 users will also see improved benefits. \*\**

County	Plans in 1998	Plans in 2003	Plans Lost	People Dropped From Plans*
Albany	5	4	1	2,263
Rensselaer	3	3	0	2,406
Saratoga	4	3	1	2,881
Schenectady	4	3	1	2,315
Schoharie	1	0	1	*
Washington	2	1	1	*

***The North Country:*** Although low Medicare reimbursements caused a number of plans to discontinue participation in the Medicare+Choice program in the North Country in recent years, the new Medicare law helps keep plans in the region and enables them to offer enhanced health care coverage and premium reductions.

County	Plans in 1998	Plans in 2003	Plans Lost	People Dropped From Plans*
Essex	1	0	1	141
Franklin	1	0	1	104
Hamilton	1	0	1	*

Jefferson	1	0	1	*
St Lawrence	1	0	1	*
Warren	2	1	1	*
Allegany	2	2	0	*

**The Southern Tier:** Although low Medicare reimbursements caused a number of plans to discontinue participation in the Medicare+Choice program in the Southern Tier in recent years, the new Medicare law will help draw plans to the region.

County	Plans in 1998	Plans in 2003	Plans Lost	People Dropped From Plans*
Broome	1	0	1	*
Delaware	1	0	1	*
Otsego	1	0	1	*
Steuben	1	0	1	*

**Western New York:** Independent Health, which serves 23,000 people, will reduce premiums by \$21 per month. Co-payments for routine eye exams will also decline by \$10 per exam. Univera, which has 32,000 members, is also expected to reduce healthcare premiums. \*\*

County	Plans in 1998	Plans in 2003	Plans Lost	People Dropped From Plans
Chautauqua	4	3	1	*
Erie	4	4	0	*
Niagara	4	3	1	*

**Central New York:** Although low Medicare reimbursements caused at least 2,000 people to be dropped from Medicare+Choice plans in Central New York in recent years, the new Medicare law helps keep plans in the region and enables them to offer enhanced health care coverage and premium reductions.

County	Plans in 1998	Plans in 2003	Plans Lost	People Dropped From Plans*
Cortland	1	0	1	*
Madison	1	0	1	86
Onondaga	2	2	0	1,660
Oswego	1	0	1	331

**The Hudson Valley:** Empire Blue Cross Blue Shield, which has 11,000 area members in Westchester and Rockland, will eliminate premiums, shaving \$95 off of members' monthly healthcare bills. Aetna's 7,900 enrollees in the same counties will see all doctor visit co-payments reduced by \$10. Their in-patient hospital fees will be reduced by 50% or \$100 and there will no longer be co-payments for many preventative health benefits such as mammograms, annual physicals, and colorectal and prostate screening exams. Rockland and Westchester residents will also now have the option of enrolling Aetna's point-of-service plan that allows users to choose their physician, while premiums for this service will decrease by \$25 per month. \*\*

County	Plans in 1998	Plans in 2003	Plans Lost	People Dropped From Plans*
Dutchess	4	1	3	6,604
Orange	9	0	9	4,328

Putnam	6	0	6	1,946
Rockland	8	4	4	397
Sullivan	6	1	5	*
Ulster	4	0	4	4,542
Westchester	11	4	7	6,964

**Source:** Centers for Medicare and Medicaid Services (CMS) and individual health plan providers identified above.

\*Data for the number of people dropped per plan is not available in all cases because CMS tracking data is only available after 2000 and certain Medicare+Choice plans were discontinued before that time.

\*\*Although all benefit improvements and premium reductions mentioned above are expected, they are not final until approved by CMS later this month.